



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
GLORIA MOLINA
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MARK RIDLEY-THOMAS
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MICHAEL D. ANTONOVICH
Fifth District

June 17, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADJUSTMENTS TO EMPLOYEE RETIREMENT CONTRIBUTION RATES (ALL DISTRICTS - 3 VOTES)

SUBJECT

Recommendation to approve negotiated adjustments to employee retirement contribution rates based upon the June 30, 2013 Los Angeles County Employees Retirement Association (LACERA) actuarial valuation report as approved by the LACERA Board of Investments on March 12, 2014. The recommended changes are applicable to represented and non-represented employees, effective July 1, 2014.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve Amendment Number 1 to the Fringe Benefit Memorandum of Understanding (MOU) with Service Employees International Union (SEIU), Local 721, Change to Win (CtW), Canadian Labour Congress (CLC) implementing changes in employee retirement contribution rates (Attachment A).
2. Approve Amendment Number 1 to the Fringe Benefit Memorandum of Understanding with the Coalition of County Unions (CCU), American Federation of Labor/Congress of Industrial Organizations (AFL-CIO) implementing changes in employee retirement contribution rates (Attachment B).
3. Approve the attached resolution implementing changes in employee retirement contribution rates for represented and non-represented employees effective July 1, 2014 (Attachment C).
4. Approve the employee contribution rate changes effective July 1, 2014 for all represented and non-represented employees who are members of the Safety Member Plan C and General Member

Plan G (Attachment D).

5. Instruct the Auditor-Controller to make the system changes necessary to implement these recommendations.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The County Employees Retirement Law of 1937 (CERL) requires LACERA to obtain an actuarial valuation at least once every three years. This law further requires that on the basis of such valuation, a recommendation is to be made to the Board of Supervisors to change employer and/or member contributions rates as may be necessary to properly fund the retirement system.

During 2009, LACERA suffered significant portfolio losses due to the financial market credit crisis and resulting economic downturn. To reduce the negative impact of these losses, LACERA's Board of Investments adopted a decrease in the assumed rate of return (ARR) of its investments in October 2011 to be phased in over a three-year period.

Decreases in the ARR require increases in the employer and employee contributions rates to make up for the anticipated shortfall in investment returns. The ARR used in the past three valuations have been gradually reduced as follows: 7.7 percent (2011), 7.6 percent (2012), and 7.5 percent (2013).

Based upon LACERA's June 30, 2013 actuarial valuation report, we have negotiated adjustments to the employee retirement contribution rates for CCU and SEIU, Local 721 employees. These changes are reflected in the respective Fringe Benefit MOU amendments and will be effective July 1, 2014. These same rates are applicable to non-represented employees and will also be effective July 1, 2014.

General Plan G and Safety Plan C

As described in our prior year's rate change letter, the California Public Employees' Pension Reform Act of 2013 (PEPRA) revised retirement contribution and benefits formulas and required the County to implement several significant changes with respect to contribution rates. One of the most significant changes mandated by PEPRA was the requirement that all new members of a California public retirement system as of January 1, 2013 must pay 50 percent of the normal cost of funding the retirement benefit. Normal cost is defined as the percentage of payroll for each fiscal year that must be contributed to the retirement fund to pay for the promised benefit as determined by the actuary. To comply with these funding requirements, two new PEPRA defined benefit plans (General Member Plan G and Safety Member Plan C) were established and the non-contributory General Member Plan E was closed to new members, effective November 27, 2012.

Aside from the 50/50 cost sharing feature, these plans differ from the other LACERA defined benefit plans in that the employee contribution rates are flat rates versus age-based rates. The flat rate feature has significant advantages over the age-based rates including ease of administration and lower probability of calculation errors. Additionally, based upon a LACERA survey of other California public retirement plans, most are using flat rates versus age-based rates.

Implementation of Strategic Plan Goals

The retirement benefit and funding changes provided for in these recommendations are directly responsive to the Strategic Plan Goal of Fiscal Sustainability by ensuring sufficient funding of the

County's retirement system.

FISCAL IMPACT/FINANCING

Since these recommendations are limited to changing the employee portion of the retirement contribution rates, there is no increase in net County costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The employee retirement contribution rate adjustments have been negotiated with the Coalition of County Unions and SEIU, Local 721. The specific rates by employee age at entry into County service are detailed in the accompanying MOU amendments and related resolution.

The accompanying MOU amendments and resolution have been approved as to form by County Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

None.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:BC:JA
MTK:VMH:mst

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Human Resources
Los Angeles County Employees Retirement
Association
Coalition of County Unions, AFL-CIO
SEIU, Local 721, CTW, CLC

ATTACHMENT A

AMENDMENT NO. 1 TO THE FRINGE BENEFITS

MEMORANDUM OF UNDERSTANDING WITH SEIU, LOCAL 721, CTW, CLC

AMENDMENT NO. 1
MEMORANDUM OF UNDERSTANDING
FOR JOINT SUBMISSION
TO THE BOARD OF SUPERVISORS
REGARDING THE FRINGE BENEFITS

THIS AMENDMENT NO. 1 TO THE MEMORANDUM OF UNDERSTANDING made
and entered into this 10th day of June 2014,

BY AND BETWEEN

Authorized Management Representative
(hereinafter referred to as "Management")
of the County of Los Angeles (hereinafter
referred to as "County")

AND

SEIU, Local 721, CTW, CLC, (hereinafter
referred to as "Union")

WHEREAS, on the 25th day of February 2014, the parties entered into a
Memorandum of Understanding regarding Fringe Benefits, in which this Memorandum
of Understanding was subsequently approved and ordered implemented by the
County's Board of Supervisors; and

WHEREAS, as a result of mutual agreement, the parties desire to amend said
Memorandum of Understanding as set forth hereafter:

NOW, THEREFORE, the parties agree as follows:

1. Amend Sections 1, 2, and 3 of Article 5, Retirement, as appended hereto.
2. This Amendment No. 1 to said Memorandum of Understanding constitutes a mutual recommendation to be jointly submitted to the County's Board of Supervisors and this Amendment No. 1 will be effective when and if approved and implemented by said Board of Supervisors, in the same manner as provided in Article 2, which is applicable to the implementation of the original Memorandum of Understanding.
3. Except as herein specifically amended, each and every other provision of said Memorandum of Understanding shall continue to remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representative to execute this Amendment No. 1 on the day, month, and year first above written.

SEIU, LOCAL 721, CTW, CLC
REPRESENTATIVE

By 
President, SEIU Local 721

COUNTY OF LOS ANGELES
AUTHORIZED MANAGEMENT
REPRESENTATIVE

By 
Chief Executive Officer

By 
Chair, Bargaining Policy Committee

ARTICLE 5 RETIREMENTSection 1.

The parties agree to recommend jointly to the County's Board of Supervisors that pursuant to Section 31581.1 of the California Government Code, said Board adopt a resolution that, effective July 1, 2014, and for the term of this agreement only, provides that the County shall pay to the Retirement Fund the amount necessary which, based on actuarial determination, is sufficient to fund the difference between:

- a. The employee contributions that would be paid to said Retirement Fund during the term of this agreement if the employee contribution rates set forth in the Fringe Benefit MOU costs based on the June 30, 2013 Actuarial Valuation dated February 28, 2014, by Milliman USA, were implemented, and
- b. The employee contributions that would be paid to said Retirement Fund during the term of this agreement if the employee contribution rates set forth in Section 2 of this Article were implemented in lieu of the contribution rates set forth in said Fringe Benefit MOU costs based on June 30, 2013 Actuarial Valuation.

Section 2.

The parties agree that, contingent upon action by the Board of Supervisors to adopt a resolution to implement the provisions of Section 1 of this Article, the negotiated employee contribution rates for the term of this agreement for employees who entered the Los Angeles County Employees Retirement Association prior to October 1, 1978, shall be as follows; provided, however, such contribution rates shall not apply to employees who are covered by the optional non-contributory plan (hereinafter referred to as Plan E) made operative for General Members of said Retirement Association on and after January 4, 1982.

1. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of the Los Angeles County Employees Retirement Association on or before August 31, 1977 (hereinafter referred to as Plan A for General Members):

GENERAL MEMBERS – RETIREMENT PLAN A
Negotiated Employee Contribution Rates
Effective July 1, 2014

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	4.13%
17	4.19%
18	4.22%
19	4.28%
20	4.33%
21	4.37%
22	4.43%
23	4.49%
24	4.57%
25	4.59%
26	4.69%
27	4.77%
28	4.89%
29	4.97%
30	5.08%
31	5.25%
32	5.35%
33	5.52%
34	5.65%
35	5.86%
36	6.05%
37	6.23%
38	6.44%
39	6.63%
40	6.83%
41	7.03%
42	7.24%
43	7.47%
44	7.64%
45	7.86%
46	8.08%
47	8.26%
48	8.48%
49	8.61%
50	8.70%

**NEAREST YEAR OF AGE
AT MEMBERSHIP****EMPLOYEE CONTRIBUTION RATE**

51	8.74%
52 & above	8.75%

2. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of the Los Angeles County Employees Retirement Association between September 1, 1977, and September 30, 1978 (hereinafter referred to as Plan B for General Members):

GENERAL MEMBERS – RETIREMENT PLAN B
 Negotiated Employee Contribution Rates
 Effective July 1, 2014

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	5.79%
17	5.92%
18	6.06%
19	6.19%
20	6.33%
21	6.48%
22	6.62%
23	6.77%
24	6.92%
25	7.08%
26	7.23%
27	7.40%
28	7.56%
29	7.73%
30	7.90%
31	8.07%
32	8.26%
33	8.44%
34	8.64%
35	8.84%
36	9.04%
37	9.24%
38	9.45%
39	9.66%
40	9.87%
41	10.08%
42	10.29%
43	10.48%
44	10.68%
45	10.88%
46	11.06%
47	11.23%
48	11.40%
49	11.55%
50	11.66%

**NEAREST YEAR OF AGE
AT MEMBERSHIP****EMPLOYEE CONTRIBUTION RATE**

51	11.74%
52 & above	11.75%

Section 3.

The parties further agree that, for the term of this agreement, the employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of the Los Angeles County Employees Retirement Association between October 1, 1978, and May 31, 1979 (hereinafter referred to as Plan C for General Members), and, to the retirement plan for employees who became General Members of said Retirement Association between June 1, 1979 and December 31, 2012 (hereinafter referred to as Plan D for General Members) or who are otherwise eligible to redeposit into Plan D or entitled to reciprocal membership in Plan D pursuant to reciprocity provisions of said Retirement Association; provided, however, such contribution rates shall not apply to employees who are covered by Plan E.

GENERAL MEMBERS – RETIREMENT PLAN C
Negotiated Employee Contribution Rates
Effective July 1, 2014

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	4.93%
17	5.05%
18	5.16%
19	5.27%
20	5.39%
21	5.52%
22	5.64%
23	5.77%
24	5.90%
25	6.03%
26	6.17%
27	6.30%
28	6.44%
29	6.59%
30	6.74%
31	6.89%
32	7.04%
33	7.20%
34	7.36%
35	7.52%
36	7.69%
37	7.86%
38	8.05%
39	8.22%
40	8.41%
41	8.61%
42	8.81%
43	9.01%
44	9.21%
45	9.39%
46	9.59%
47	9.79%
48	9.98%
49	10.16%
50	10.35%

**NEAREST YEAR OF AGE
AT MEMBERSHIP**

EMPLOYEE CONTRIBUTION RATE

51	10.53%
52	10.70%
53	10.86%
54	11.00%
55	11.11%
56	11.17%
57 & above	11.19%

GENERAL MEMBERS – RETIREMENT PLAN D
Negotiated Employee Contribution Rates
Effective July 1, 2014

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	4.83%
17	4.94%
18	5.05%
19	5.15%
20	5.28%
21	5.40%
22	5.52%
23	5.64%
24	5.78%
25	5.90%
26	6.03%
27	6.17%
28	6.30%
29	6.45%
30	6.59%
31	6.74%
32	6.89%
33	7.04%
34	7.20%
35	7.36%
36	7.52%
37	7.69%
38	7.87%
39	8.04%
40	8.23%
41	8.42%
42	8.62%
43	8.81%
44	9.01%
45	9.19%
46	9.38%
47	9.58%
48	9.76%
49	9.94%
50	10.13%
51	10.30%

**NEAREST YEAR OF AGE
AT MEMBERSHIP**

EMPLOYEE CONTRIBUTION RATE

52	10.47%
53	10.63%
54	10.76%
55	10.87%
56	10.93%
57 & above	10.94%

ATTACHMENT B

AMENDMENT NO. 1 TO THE FRINGE BENEFITS

**MEMORANDUM OF UNDERSTANDING WITH THE COALITION OF COUNTY
UNIONS**

AMENDMENT NO. 1
MEMORANDUM OF UNDERSTANDING
FOR JOINT SUBMISSION
TO THE BOARD OF SUPERVISORS
REGARDING THE FRINGE BENEFITS

THIS AMENDMENT NO. 1 TO MEMORANDUM OF UNDERSTANDING made and entered into this 10th day of June 2014,

BY AND BETWEEN

Authorized Management Representative
(hereinafter referred to as "Management")
of the County of Los Angeles (hereinafter
referred to as "County")

AND

THE COALITION OF COUNTY UNIONS, AFL-
CIO, (hereinafter referred to as the "Coalition").

WHEREAS, on the 25th day of February 2014, the parties entered into a Memorandum of Understanding regarding Fringe Benefits, in which this Memorandum of Understanding was subsequently approved and ordered implemented by the County's Board of Supervisors; and


WHEREAS, as a result of mutual agreement, the parties desire to amend said Memorandum of Understanding as set forth hereafter:

NOW, THEREFORE, the parties agree as follows:

1. Amend Sections 1, 2, and 3 of Article 5, Retirement, as appended hereto.
2. This Amendment No. 1 to said Memorandum of Understanding constitutes a mutual recommendation to be jointly submitted to the County's Board of Supervisors and this Amendment No. 1 will be effective when and if approved and implemented by said Board of Supervisors, in the same manner as provided in Article 2, which is applicable to the implementation of the original Memorandum of Understanding.
3. Except as herein specifically amended, each and every other provision of said Memorandum of Understanding shall continue to remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representative to execute this Amendment No. 1 the day, month, and year first above written.

COALITION OF COUNTY UNIONS
AFL-CIO

By 
Chair, Coalition of County Unions

COUNTY OF LOS ANGELES
AUTHORIZED MANAGEMENT
REPRESENTATIVE

By 
Chief Executive Officer

TO BE JOINTLY SUBMITTED TO THE COUNTY BOARD OF SUPERVISORS

ARTICLE 5 RETIREMENTSection 1.

The parties agree to recommend jointly to the County Board of Supervisors that pursuant to Section 31581.1 of the California Government Code, said Board adopt a resolution that effective July 1, 2014, and for the term of this agreement only, provides that the County shall pay to the Retirement Fund the amount necessary which, based on actuarial determination, is sufficient to fund the difference between:

- a. The employee contributions that would be paid to said Retirement Fund during the term of this agreement if the employee contribution rates set forth in the Fringe Benefit MOU costs based on the June 30, 2013 Actuarial Valuation dated February 28, 2014, by Milliman USA, were implemented, and
- b. The employee contribution that would be paid to said Retirement Fund during the term of this agreement if the employee contribution rates set forth in Section 2 of this Article were implemented in lieu of the contribution rates set forth in said Fringe Benefit MOU costs based on June 30, 2013 Actuarial Valuation.

Section 2.

The parties agree that, contingent upon action by the Board of Supervisors to adopt a resolution to implement the provision of Section 1 of this article, the negotiated employee contribution rates for the term of this agreement for employees who entered the Los Angeles County Employees Retirement Association on and after January 4, 1982.

1. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of the Los Angeles County Employees Retirement Association on or before August 31, 1977 (hereinafter referred to as Plan A for General Members):

GENERAL MEMBERS – RETIREMENT PLAN A**Negotiated Employee Contribution Rates****Effective July 1, 2014**

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	4.13%
17	4.19%
18	4.22%
19	4.28%
20	4.33%
21	4.37%
22	4.43%
23	4.49%
24	4.57%
25	4.59%
26	4.69%
27	4.77%
28	4.89%
29	4.97%
30	5.08%
31	5.25%
32	5.35%
33	5.52%
34	5.65%
35	5.86%
36	6.05%
37	6.23%
38	6.44%
39	6.63%
40	6.83%
41	7.03%
42	7.24%
43	7.47%
44	7.64%
45	7.86%
46	8.08%
47	8.26%
48	8.48%
49	8.61%
50	8.70%

**NEAREST YEAR OF AGE
AT MEMBERSHIP**

EMPLOYEE CONTRIBUTION RATE

51	8.74%
52 & above	8.75%

2. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of Los Angeles County Employees Retirement Association between September 1, 1977, and September 30, 1978, (hereinafter referred to as Plan B for General Members):

GENERAL MEMBERS – RETIREMENT PLAN B
Negotiated Employee Contribution Rates
Effective July 1, 2014

NEAREST YEAR OF AGE <u>AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	5.79%
17	5.92%
18	6.06%
19	6.19%
20	6.33%
21	6.48%
22	6.62%
23	6.77%
24	6.92%
25	7.08%
26	7.23%
27	7.40%
28	7.56%
29	7.73%
30	7.90%
31	8.07%
32	8.26%
33	8.44%
34	8.64%
35	8.84%
36	9.04%
37	9.24%
38	9.45%
39	9.66%
40	9.87%
41	10.08%
42	10.29%
43	10.48%
44	10.68%
45	10.88%
46	11.06%
47	11.23%
48	11.40%
49	11.55%
50	11.66%

**NEAREST YEAR OF AGE
AT MEMBERSHIP****EMPLOYEE CONTRIBUTION RATE**

51	11.74%
52 & above	11.75%

3. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became Safety Members of the Los Angeles County Employees Retirement Association on or before August 31, 1977, (hereinafter referred to as Plan A for Safety Members):

SAFETY MEMBERS – RETIREMENT PLAN A
Negotiated Employee Contribution Rates
Effective July 1, 2014

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
18	6.94%
19	7.09%
20	7.23%
21	7.38%
22	7.54%
23	7.67%
24	7.85%
25	8.00%
26	8.16%
27	8.33%
28	8.50%
29	8.68%
30	8.85%
31	9.05%
32	9.24%
33	9.43%
34	9.65%
35	9.86%
36	10.05%
37	10.27%
38	10.48%
39	10.67%
40	10.87%
41	11.06%
42	11.26%
43	11.45%
44	11.60%
45	11.76%
46 & above	11.86%

4. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became Safety Members of the Los Angeles County Employees Retirement Association between September 1, 1977 and December 31, 2012, (hereinafter referred to as Plan B for Safety Members) or who are otherwise eligible to redeposit into Plan B for Safety Members or entitled to reciprocal membership in Plan B for Safety Members pursuant to reciprocity provisions of said Retirement Association:

SAFETY MEMBERS – RETIREMENT PLAN B
Negotiated Employee Contribution Rates
Effective July 1, 2014

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
18	6.30%
19	6.48%
20	6.67%
21	6.87%
22	7.08%
23	7.28%
24	7.49%
25	7.71%
26	7.92%
27	8.15%
28	8.37%
29	8.62%
30	8.85%
31	9.11%
32	9.36%
33	9.63%
34	9.90%
35	10.19%
36	10.47%
37	10.75%
38	11.02%
39	11.29%
40	11.56%
41	11.82%
42	12.07%
43	12.31%
44	12.55%
45	12.74%
46 & above	12.87%

Section 3.

The parties further agree that, for the term of this agreement, the employee contribution rates listed below shall apply to the retirement plan for employee who became General Members of the Los Angeles County Employees Retirement Association between October 1, 1978, and May 31, 1979 (hereinafter referred to as Plan C for General Members), and, to the retirement plan for employees who became General Members of said Retirement Association between June 1, 1979 and December 31, 2012 (hereinafter referred to as Plan D for General Members) or who are otherwise eligible to redeposit into Plan D or entitled to reciprocal membership in Plan D pursuant to reciprocity provisions of said Retirement Association); provided, however, such contribution rates shall not apply to employees who are covered by Plan E.

GENERAL MEMBERS – RETIREMENT PLAN C

Negotiated Employee Contribution Rates

Effective July 1, 2014

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	4.93%
17	5.05%
18	5.16%
19	5.27%
20	5.39%
21	5.52%
22	5.64%
23	5.77%
24	5.90%
25	6.03%
26	6.17%
27	6.30%
28	6.44%
29	6.59%
30	6.74%
31	6.89%
32	7.04%
33	7.20%
34	7.36%
35	7.52%
36	7.69%
37	7.86%
38	8.05%
39	8.22%
40	8.41%
41	8.61%
42	8.81%
43	9.01%
44	9.21%
45	9.39%
46	9.59%
47	9.79%
48	9.98%
49	10.16%
50	10.35%

**NEAREST YEAR OF AGE
AT MEMBERSHIP****EMPLOYEE CONTRIBUTION RATE**

51	10.53%
52	10.70%
53	10.86%
54	11.00%
55	11.11%
56	11.17%
57 & above	11.19%

GENERAL MEMBERS – RETIREMENT PLAN D

Negotiated Employee Contribution Rates

Effective July 1, 2014

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	4.83%
17	4.94%
18	5.05%
19	5.15%
20	5.28%
21	5.40%
22	5.52%
23	5.64%
24	5.78%
25	5.90%
26	6.03%
27	6.17%
28	6.30%
29	6.45%
30	6.59%
31	6.74%
32	6.89%
33	7.04%
34	7.20%
35	7.36%
36	7.52%
37	7.69%
38	7.87%
39	8.04%
40	8.23%
41	8.42%
42	8.62%
43	8.81%
44	9.01%
45	9.19%
46	9.38%
47	9.58%
48	9.76%
49	9.94%
50	10.13%
51	10.30%

**NEAREST YEAR OF AGE
AT MEMBERSHIP**

EMPLOYEE CONTRIBUTION RATE

52	10.47%
53	10.63%
54	10.76%
55	10.87%
56	10.93%
57 & above	10.94%

ATTACHMENT C

**RESOLUTION IMPLEMENTING CHANGES IN
EMPLOYEE RETIREMENT CONTRIBUTION RATES**

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA
PROVIDING FOR RETIREMENT SYSTEM CONTRIBUTIONS**

WHEREAS, the Board of Supervisors is authorized by Government Code Section 31581.1 to pay up to one-half of the contributions normally required of members of the retirement system of any period of time designated in the resolution providing for such payments; and

WHEREAS, the Board of Supervisors desires that the County shall pay a designated portion of members' contributions normally required of members of the retirement system, which portion does not exceed one-half of such members' contributions.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles that:

1. The County of Los Angeles shall pay to the Los Angeles County Employees Retirement Association the amounts specified in Section 2 of the Attachment entitled "2014 Implementation of Negotiated Employee Contribution Rates"; and
2. The payments made to the retirement system hereunder by the County of Los Angeles shall not become part of the accumulated contributions of any member of the retirement system; and
3. This resolution shall be effective July 1, 2014 and until further resolution of the Board of Supervisors.


The foregoing resolution was adopted by the Board of Supervisors of the County of Los Angeles at the regular meeting on the 10th day of June 2014.

SACHI A. HAMAI
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By 

RICHARD D. BLOOM
Principal Deputy County Counsel
Labor & Employment Division

CONTRIBUTION RATES

Section 1

The parties agree to recommend jointly to the County Board of Supervisors that pursuant to Section 31581.1 of the California Government Code, said Board adopt a resolution that, effective July 1, 2014, and for the term of this agreement only, provides that the County shall pay to the Retirement Fund the amount necessary which, based on actuarial determination, is sufficient to fund the difference between:

- a. The employee contribution that would be paid to said Retirement Fund during the term of this agreement if the employee contribution rates set forth in the Fringe Benefit MOU costs, based on the June 30, 2013, Actuarial Valuation dated February 28, 2014 by Milliman USA, were implemented; and
- b. The employee contribution that would be paid to said Retirement Fund during the term of this agreement if the employee contribution rates set forth in Section 2 of this Article were implemented in lieu of the contribution rates set forth in said Fringe Benefit MOU costs based on the June 30, 2013 Actuarial Valuation.

Section 2

The parties agree that contingent upon action by the Board of Supervisors to adopt a resolution to implement the provisions of Section 1 of this Article, the negotiated employee contribution rates for the term of this agreement for employees who entered the Los Angeles County Employees Retirement Association prior to October 1, 1978, shall be as follows; provided, however, such contribution rates shall not apply to employees who are covered by the optional non-contributory plan (hereafter referred to as Plan E) made operative for General Members of said Retirement Association on and after January 4, 1982.

1. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of the Los Angeles County Employees Retirement Association on or before August 31, 1977 (hereinafter referred to as Plan A for General Members):

GENERAL MEMBERS – RETIREMENT PLAN A
Negotiated Employee Contribution Rates
Effective July 1, 2014

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	4.13%
17	4.19%
18	4.22%
19	4.28%
20	4.33%
21	4.37%
22	4.43%
23	4.49%
24	4.57%
25	4.59%
26	4.69%
27	4.77%
28	4.89%
29	4.97%
30	5.08%
31	5.25%
32	5.35%
33	5.52%
34	5.65%
35	5.86%
36	6.05%
37	6.23%
38	6.44%
39	6.63%
40	6.83%
41	7.03%
42	7.24%
43	7.47%
44	7.64%
45	7.86%
46	8.08%
47	8.26%
48	8.48%
49	8.61%
50	8.70%
51	8.74%
52 & above	8.75%

2. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became General Members of Los Angeles County Employees Retirement Association between September 1, 1977, and September 30, 1978, (hereinafter referred to as Plan B for General Members):

GENERAL MEMBERS – RETIREMENT PLAN B
Negotiated Employee Contribution Rates
Effective July 1, 2014

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	5.79%
17	5.92%
18	6.06%
19	6.19%
20	6.33%
21	6.48%
22	6.62%
23	6.77%
24	6.92%
25	7.08%
26	7.23%
27	7.40%
28	7.56%
29	7.73%
30	7.90%
31	8.07%
32	8.26%
33	8.44%
34	8.64%
35	8.84%
36	9.04%
37	9.24%
38	9.45%
39	9.66%
40	9.87%
41	10.08%
42	10.29%
43	10.48%
44	10.68%
45	10.88%
46	11.06%
47	11.23%
48	11.40%
49	11.55%
50	11.66%
51	11.74%
52 & above	11.75%

3. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became Safety Members of the Los Angeles County Employees Retirement Association on or before August 31, 1977, (hereinafter referred to as Plan A for Safety Members):

SAFETY MEMBERS – RETIREMENT PLAN A
Negotiated Employee Contribution Rates
Effective July 1, 2014

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
18	6.94%
19	7.09%
20	7.23%
21	7.38%
22	7.54%
23	7.67%
24	7.85%
25	8.00%
26	8.16%
27	8.33%
28	8.50%
29	8.68%
30	8.85%
31	9.05%
32	9.24%
33	9.43%
34	9.65%
35	9.86%
36	10.05%
37	10.27%
38	10.48%
39	10.67%
40	10.87%
41	11.06%
42	11.26%
43	11.45%
44	11.60%
45	11.76%
46 & above	11.86%

4. The negotiated employee contribution rates listed below shall apply to the retirement plan for employees who became Safety Members of the Los Angeles County Employees Retirement Association between September 1, 1977 and December 31, 2012, (hereinafter referred to as Plan B for Safety Members) or who are otherwise eligible to redeposit into Plan B for Safety Members or entitled to reciprocal membership in Plan B for Safety Members pursuant to provisions of said Retirement Association):

SAFETY MEMBERS – RETIREMENT PLAN B
Negotiated Employee Contribution Rates
Effective July 1, 2014

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
18	6.30%
19	6.48%
20	6.67%
21	6.87%
22	7.08%
23	7.28%
24	7.49%
25	7.71%
26	7.92%
27	8.15%
28	8.37%
29	8.62%
30	8.85%
31	9.11%
32	9.36%
33	9.63%
34	9.90%
35	10.19%
36	10.47%
37	10.75%
38	11.02%
39	11.29%
40	11.56%
41	11.82%
42	12.07%
43	12.31%
44	12.55%
45	12.74%
46 & above	<u>12.87%</u>

5. The parties further agree that, for the term of this agreement, the employee contribution rates listed below shall apply to the retirement plan for employee who became General Members of the Los Angeles County Employees Retirement Association between October 1, 1978 and May 31, 1979 (hereinafter referred to as Plan C for General Members), and to the retirement plan for employees who became General Members of said Retirement Association between June 1, 1979 and December 31, 2012 (hereinafter referred to as Plan D for General Members) or who are otherwise eligible to redeposit into Plan D or entitled to reciprocal membership in Plan D pursuant to provisions of said Retirement Association); provided, however, such contribution rates shall not apply to employees who are covered by Plan E.

GENERAL MEMBERS – RETIREMENT PLAN C
Negotiated Employee Contribution Rates
Effective July 1, 2014

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	4.93%
17	5.05%
18	5.16%
19	5.27%
20	5.39%
21	5.52%
22	5.64%
23	5.77%
24	5.90%
25	6.03%
26	6.17%
27	6.30%
28	6.44%
29	6.59%
30	6.74%
31	6.89%
32	7.04%
33	7.20%
34	7.36%
35	7.52%
36	7.69%
37	7.86%
38	8.05%
39	8.22%
40	8.41%
41	8.61%
42	8.81%
43	9.01%
44	9.21%
45	9.39%
46	9.59%
47	9.79%
48	9.98%
49	10.16%
50	10.35%
51	10.53%

52	10.70%
53	10.86%
54	11.00%
55	11.11%
56	11.17%
57 & above	11.19%

GENERAL MEMBERS – RETIREMENT PLAN D

Negotiated Employee Contribution Rates

Effective July 1, 2014

<u>NEAREST YEAR OF AGE AT MEMBERSHIP</u>	<u>EMPLOYEE CONTRIBUTION RATE</u>
16	4.83%
17	4.94%
18	5.05%
19	5.15%
20	5.28%
21	5.40%
22	5.52%
23	5.64%
24	5.78%
25	5.90%
26	6.03%
27	6.17%
28	6.30%
29	6.45%
30	6.59%
31	6.74%
32	6.89%
33	7.04%
34	7.20%
35	7.36%
36	7.52%
37	7.69%
38	7.87%
39	8.04%
40	8.23%
41	8.42%
42	8.62%
43	8.81%
44	9.01%
45	9.19%
46	9.38%
47	9.58%
48	9.76%
49	9.94%
50	10.13%
51	10.30%

52	10.47%
53	10.63%
54	10.76%
55	10.87%
56	10.93%
57 & above	10.94%

ATTACHMENT D

EMPLOYEE CONTRIBUTION RATES FOR PEPRA RETIREMENT PLANS

EFFECTIVE JULY 1, 2014

ATTACHMENT D

**EMPLOYEE CONTRIBUTION RATES FOR PEPRA RETIREMENT PLANS
EFFECTIVE JULY 1, 2014**

Retirement Plan	Rate <i>(same for all entry ages)</i>
General Members – Retirement Plan G	7.63%
Safety Members – Retirement Plan C	13.39%